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THE WEEKLY OF
BUSINESS AVIATION

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PAGE AVJET officials said Friday they have completed the acquisition of Van Dusen Airport Services' chain of 13 fixed-base operations. The two firms had signed a definitive agreement in July under which Page was to pay about $23 million and assume approximately $50 million in additional obligations *(BA, July 30/33)*, but closing of the sale was delayed while the parties worked to resolve a number of legal and technical issues.

HOUSE AND SENATE BUDGET RECONCILIATION PACKAGES contain a three-cent-per-gallon hike in the tax on avgas and a 3.5-cent-per-gallon increase in the jet fuel tax. Senate version of the budget bill also contains a 9.5-cent-per-gallon tax increase on automotive fuels, but congressional staffers said last week that tax is not intended to be levied on avgas (although motor fuel taxes traditionally apply to avgas).

SOARING FUEL PRICES may put a crimp in the regional jet market. Aviation Systems Research Corp., Golden, Colo., which only 13 months ago predicted that 500 to 750 of the small jets would be in operation by the end of the decade, has now halved that to 300-325 unless fuel prices being paid by airlines back off to the 80-cent to $1 range fairly rapidly. ASRC said last year that fuel price is the airplane's "Achilles heel" and that an "upward spiral" would be a serious limiting factor on orders.

NUMBER OF RETAIL TRANSACTIONS involving used jets and turboprops continues to lag far behind last year's level. Through the first three quarters there were 666 retail transactions involving used business jets and 786 involving turboprops, according to information compiled by Aviation Data Service of Wichita, Kan. During the same period in 1989, 926 used jets and 1,078 used turboprops had changed hands. Aviation Data's breakdown of retail transactions during August appears *on Pages 163-164.*

SEPARATE AIRCRAFT LUXURY TAX PROPOSALS APPROVED BY HOUSE, SENATE

Different but similar proposals for a 10 percent luxury tax on certain newly manufactured general aviation aircraft were included in House and Senate versions of budget reconciliation legislation approved last week. The Senate version, which was passed early Friday morning, called for a 10 percent tax on aircraft that cost more than $250,000 and that are not used for business at least 80 percent of the time. The House bill, adopted earlier last week, resembled the Democratic alternate *(BA, Oct. 15/143)* and retains a provision that imposes the tax against all aircraft valued at more than $100,000, except for aircraft used exclusively for some exempted activities such as natural resource exploration, firefighting, agricultural application and police work. Representatives of the two legislative bodies will attempt to resolve differences between the bills in a House-Senate conference.

Although the Senate bill is viewed by the GA industry as the lesser of two evils, serious concerns remain about how the Senate version of the tax would be implemented. An aide to Sen. Bob Dole (R-Kan.) confirmed that the tax would be automatically levied against all aircraft that cost more than $250,000 and businesses would have to file for a refund of the tax after they prove their aircraft were used for business at least 80 percent of the time. Many questions remain unanswered, however, including how much time would pass before aircraft owners could claim their refunds and whether owners would get interest on their money, said James Gormley, president of the General Aviation Manufacturers Association. Manufacturers also are worried about their current orderbook, because customers have placed orders for aircraft in good faith of

(Continued on the following page)

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BUSINESS/PERSONAL AIRCRAFT INDUSTRY – THIRD QUARTER UNIT SHIPMENTS

		3rd Quarter 90	Cal. Year
AEROSPATIALE GENERAL AVIATION			
• Single-Engine			
TB-9	Tampico	21	43
TB-10	Tobago	11	36
TB-20	Trinidad	22	61
TB-21	Trinidad TC	6	10
Total		60	150
AMERICAN GENERAL AIRCRAFT CORP.			
• Single-Engine			
AG-5/B	Tiger	4	4
Total		4	4
BEECH AIRCRAFT CORP.			
• Single-Engine			
BE-F33A	Bonanza	35	96
BE-A36	Bonanza	19	48
BE-36TC	Bonanza	1	8
• Multi-Engine			
BE-58	Baron	9	24
BE-58P	Baron	0	0
BE-76	Duchess	0	0
BE-C90-1	King Air	8	26
BE-200	Super King Air	7	31
BE-200C	Super King Air	1	2
BE-200T	Super King Air	0	0
BE-300	Super King Air	5	7
BE-1900C	Commuter	13	35
BE-1300		1	2
BE-350	King Air	9	20
BE-350C		1	1
Starship 2000		4	9
Beechjet 400		1	1
Total		114	310
(Quarterly Billings $151,994,754)			
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream 31	10	43
BAe 146-100		1	1
BAe 146-200		2	4
BAe 146-300		6	13
HS-125-800A		7	13
HS-125-800B		2	5
Total		28	79
PILATUS BRITTEN-NORMAN			
• Multi-Engine			
BN-2B	Islander	1	8
BN-2T	Islander	0	3
Total		1	11
CANADAIR			
• Multi-Engine			
CL-601-3A		7	22
Total		7	22
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-208	Caravan I	14	46
• Multi-Engine			
CE-406	Caravan II	1	2
CE-550	Citation II	6	21
CE-650	Citation III	6	11
CE-560	Citation V	12	40
Total		39	120
CHRISTEN INDUSTRIES			
• Single-Engine			
S-1T	Pitts	1	2
S-2B	Pitts	5	18
A-1	Husky	11	31
Total		17	51
(9 Domestic)			
(8 Export)			
AVION-MARCEL DASSAULT			
• Multi-Engine			
AD-My.10	Falcon	1	3
AD-My.200	Falcon	1	1
AD-My.50	Falcon	4	7
AD-My.900	Falcon	1	11
Total		7	22
DE HAVILLAND AIRCRAFT OF CANADA			
• Multi-Engine			
DHC-8	Series 100	9	32
DHC-8	Series 300	1	10
Total		10	42
EMBRAER			
• Single-Engine			
EMB-201A	Ipanema	4	15
EMB-711ST	Corison II	3	4
EMB-712	Tupi	0	3
EMB-720	Minuano	4	11
• Multi-Engine			
EMB-110	Bandeirante	0	0
EMB-120	Brasilia	14	36
EMB-121	Xingu	0	0
EMB-810D	Seneca II	6	20
EMB-820		0	0
EMB-821	Carajah	0	1
Total		31	90
FAIRCHILD AIRCRAFT			
• Multi-Engine			
Merlin IV-C		0	0
Metro III		3	9
Expediter		0	0
Total		3	9
GULFSTREAM AEROSPACE			
• Multi-Engine			
G-IV	Gulfstream IV	8	27
Total		8	27
ISRAEL AIRCRAFT INDUSTRIES			
• Multi-Engine			
1125	Astra	4	7
Total		4	7

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		3rd Quarter 90	Cal. Year
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		*	*
LA-250	Renegade	*	*
Total		*	*
LEARJET CORP.			
• Multi-Engine			
LR-31		3	9
LR-35A		1	6
LR-36A		0	0
LR-55C		1	3
Total		5	18
(Export Billings $15,166,000)			
(Domestic Billings $8,491,000)			
MAULE AIR INC.			
• Single-Engine			
M-5-180C		0	0
M-5-200		0	0
M-5-235C	Lunar Rocket	0	0
M-6-235		0	3
MX-7-180	Lunar Rocket	2	6
M7-235	Super Rocket	3	8
MX-7-235		1	3
MX7-420		1	2
Total		7	22
(Quarterly Domestic Billings $709,487)			
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201 Lean Machine	17	43
M-20J	205	0	0
M-20K	231	0	0
M-20K	252	4	15
M-20L	PFM	1	7
M-20J	AT	0	0
M-20M	TLS	10	40
Total		32	105
(14 Export)			
(18 Domestic)			
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-18-150	Super Cub	0	6
PA-28-161	Warrior	0	7
PA-28-161	Cadet	0	13
PA-28-281	Archer II	0	4
PA-28-236	Dakota	0	1
PA-28R-201	Arrow IV	2	10
PA-28RT-201	Turbo Arrow IV	0	2
PA-32-301	Saratoga	10	19
PA-32R-301	Saratoga SP	0	3
PA-46-350P	Mirage	5	22
• Multi-Engine			
PA-34-220T	Seneca III	21	49
PA-42-720	Cheyenne IIIA	3	7
PA-42-1000	Cheyenne 400	0	2
PA-44-180	Seminole	2	4
Total		43	149
SHORT BROTHERS			
• Multi-Engine			
SD-3-30		*	*
SD-3-60		*	*
Total		*	*
SINGLE-ENGINE		217	650
MULTI-ENGINE		203	588
GRAND TOTAL		420	1,238

UNIT SHIPMENTS COMPARATIVE TREND: 20 MANUFACTURERS

	3rd Quarter			Calendar Year to Date		
	1990	1989	1988	1990	1989	1988
Aerospatiale	60	28	25	150	95	55
American General	4	*	*	4	*	*
Beech	114	89	78	310	259	258
British Aerospace	28	34	20	79	76	67
Britten-Norman	1	5	3	11	7	8
Canadair	7	5	3	22	13	13
Cessna	39	45	47	120	119	116
Christen	17	19	*	51	56	*
Dassault	7	5	14	22	22	37
De Havilland	10	18	11	42	39	17
Embraer	31	48	17	90	98	52
Fairchild	3	2	4	9	9	12
Gulfstream	8	10	10	27	28	31
Israel	4	1	*	7	5	8
Lake	*	5	6	*	18	24
Learjet	5	10	2	18	15	13
Maule Air	7	10	15	22	27	48
Mooney	32	43	34	105	83	109
Piper	43	191	59	149	470	190
Shorts	*	*	*	*	*	7
Total	420	568	348	1,236	1,439	1,065

* Figures not available

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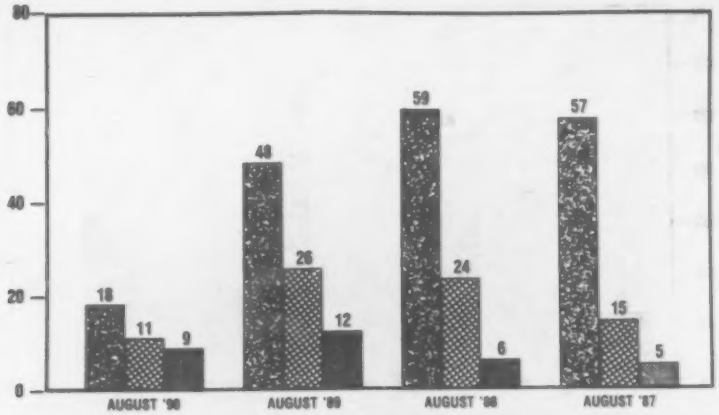
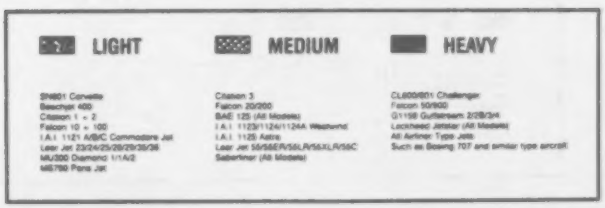
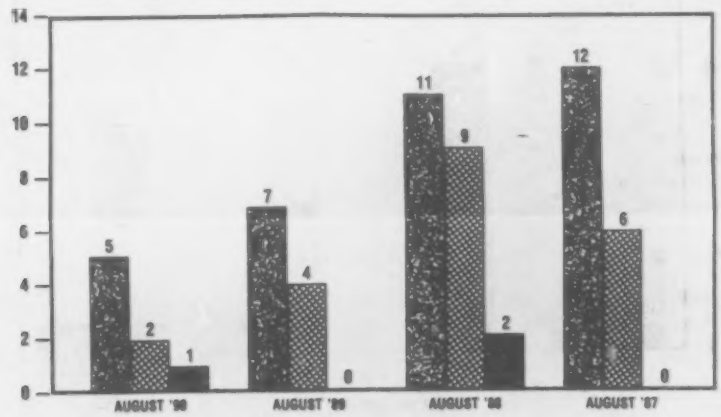
USED RETAIL JET DELIVERIES – NORTH AMERICA



FOR THE MONTH OF AUGUST



USED RETAIL JET DELIVERIES – OUTSIDE NORTH AMERICA



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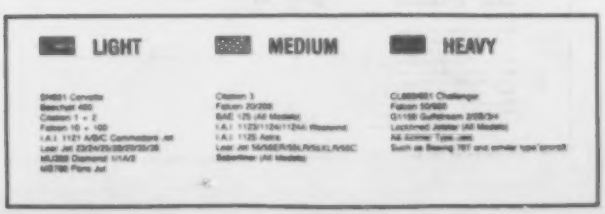

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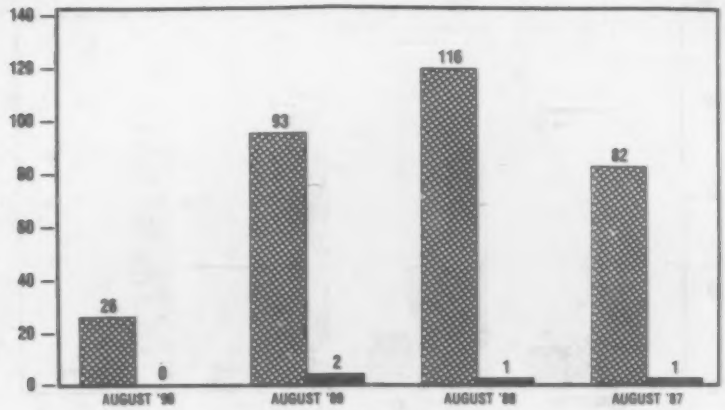
SEPTEMBER 1990

USED RETAIL TURBOPROP DELIVERIES – NORTH AMERICA



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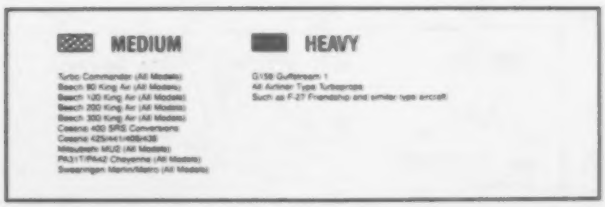
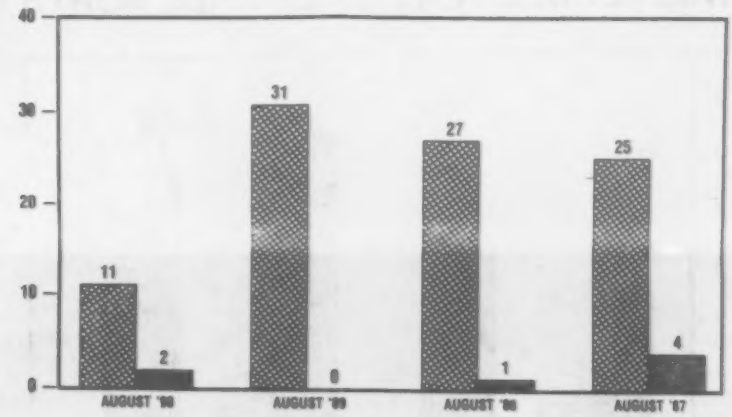


USED RETAIL TURBOPROP DELIVERIES – OUTSIDE NORTH AMERICA



FOR THE MONTH OF AUGUST